

**RHS, RBS, RUS, FSA, USDA****§ 1944.681**

103-354 office) will be used to document the rating.

(1) Points are awarded based on the percentage of very low-income persons that the applicant proposes to assist, using the following scale:

- (i) More than 80%: 20 points.
- (ii) 61% to 80%: 15 points.
- (iii) 41% to 60%: 10 points.
- (iv) 20% to 40%: 5 points.
- (v) Less than 20%: 0 points.

(2) The applicant's proposal may be expected to result in the following percentage of HPG fund use (excluding administrative costs) to total cost of unit preservation. This percentage reflects maximum repair or rehabilitation with the least possible HPG funds due to leveraging, innovative financial assistance, owner's contribution or other specified approaches. Points are awarded based on the following percentage of HPG funds (excluding administrative costs) to total funds:

- (i) 50% or less: 20 points.
- (ii) 51% to 65%: 15 points.
- (iii) 66% to 80%: 10 points.
- (iv) 81% to 95%: 5 points.
- (v) 96% to 100%: 0 points.

(3) The applicant has demonstrated its administrative capacity in assisting very low- and low-income persons to obtain adequate housing based on the following:

(i) The organization or a member of its staff has 2 or more years experience successfully managing and operating a rehabilitation or weatherization type program, including FmHA or its successor agency under Public Law 103-354's HPG program: 10 points.

(ii) The organization or a member of its staff has 2 or more years experience successfully managing and operating a program assisting very low- and low-income persons obtain housing assistance: 10 points.

(iii) If the organization has administered grant programs, there are no outstanding or unresolved audit or investigative findings which might impair carrying out the proposal: 10 points.

(4) The proposed program will be undertaken entirely in rural areas outside MSAs identified by FmHA or its successor agency under Public Law 103-354 as having populations below 10,000 or in remote parts of other rural areas (i.e., rural areas contained in MSAs

with less than 5,000 population) as defined in §1944.656 of this subpart: 10 points.

(5) The program will use less than 20 percent of HPG funds for administration purposes:

- (i) More than 20%: Not Eligible.
- (ii) 20%: 0 points.
- (iii) 19%: 1 point.
- (iv) 18%: 2 points.
- (v) 17%: 3 points.
- (vi) 16%: 4 points.
- (vii) 15% or less: 5 points.

(6) The proposed program contains a component for alleviating overcrowding as defined in §1944.656 of this subpart: 5 points.

(c) In the event more than one preapplication receives the same amount of points, those preapplications will then be ranked based on the actual percentage figure used for determining the points under paragraph (b)(1) of this section. Further, in the event that preapplications are still tied, then those preapplications still tied will be ranked based on the percentage figures used (low to high) in paragraph (b)(2) of this section. Further, for applications where assistance to rental properties or co-ops is proposed, those still tied will be further ranked based on the number of years the units are available for occupancy under the program (a minimum of 5 years is required). For this part, ranking will be based from most to least number of years. Finally, if there is still a tie, then a "lottery" System will be used.

**§ 1944.680 Limitation on grantee selection.**

After all preapplications have been reviewed under the selection criteria and if more than one preapplication has met the criteria of §1944.679(a) of this subpart, the State Director or approval official may not approve more than 50 percent of the State's allocation to a single entity.

**§ 1944.681 Application submission.**

Applicants selected by FmHA or its successor agency under Public Law 103-354 will be advised to submit a full application in an original and two copies

of SF 424.1, and are to include any condition or amendments that must be incorporated into the statement of activities prior to submitting a full application. Instructions on submission and timing will be provided by FmHA or its successor agency under Public Law 103-354.

**§ 1944.682 Preapplication/application review, grant approval, and requesting HPG funds.**

The FmHA or its successor agency under Public Law 103-354 offices processing HPG preapplications/applications will review the preapplications and applications submitted. Further review and actions will be taken by FmHA or its successor agency under Public Law 103-354 personnel in accordance with exhibit C of this subpart (available in any FmHA or its successor agency under Public Law 103-354 office). Exhibit G of this subpart (available in any FmHA or its successor agency under Public Law 103-354 office) will be used by the State Office to notify the National Office of preapplications received, eligibility, ranking, number of proposed units, amount requested by applicants, and amount recommended by State Office. Preapplications determined not eligible and/or not meeting the selection criteria will be notified in the manner prescribed in exhibit C of this subpart (available in any FmHA or its successor agency under Public Law 103-354 office). In addition, FmHA or its successor agency under Public Law 103-354 will document its findings and advise the applicant of its review rights or appeal rights (if applicable) under subpart B of part 1900 of this chapter. Applications determined not eligible will be handled in the same manner. The preapplications or applications determined incomplete will be notified in the manner prescribed in exhibit C of this subpart (available in any FmHA or its successor agency under Public Law 103-354 office) and will not be given appeal rights. The State Director is authorized to approve an HPG in accordance with this subpart and subpart A of part 1901 of this chapter. The State Director may delegate this authority in writing to designated State Office personnel and District Directors. Further:

(a) Grant approval is the process by which FmHA or its successor agency under Public Law 103-354 determines that all applicable administrative and legal conditions for making a grant have been met, the grant agreement is signed, and funds have been obligated for the HPG project. If acceptable, the approval official will inform the applicant of approval, having the applicant sign Form FmHA or its successor agency under Public Law 103-354 1940-1, "Request for Obligation of Funds," and exhibit A of this subpart (available in any FmHA or its successor agency under Public Law 103-354 office). The applicant will be sent a copy of the executed grant agreement and Form FmHA or its successor agency under Public Law 103-354 1940-1. Should any conditions be attached to the grant agreement that must be satisfied prior to the applicant receiving any HPG funds, the grant agreement and the conditions will be returned to the applicant for acceptance and acknowledgement on the grant agreement prior to execution by the approval official.

(b) The application may be disapproved before execution of the grant agreement if the applicant is no longer eligible, the proposal is no longer feasible, or the applicant requests cancellation of its project. Except when the applicant requests cancellation, FmHA or its successor agency under Public Law 103-354 will document its findings and advise the applicant of its appeal rights under subpart B of part 1900 of this chapter.

(c) With the executed grant agreement and Form FmHA or its successor agency under Public Law 103-354 1940-1, FmHA or its successor agency under Public Law 103-354 will send the approved applicant (now the "grantee") copies of SF-270, "Request for Advance or Reimbursement". The grantee must submit an original and two copies of SF-270 to the FmHA or its successor agency under Public Law 103-354 office servicing the project. In addition, the grantee must submit SF-272, "Federal Cash Transactions Report," each time an advance of funds is made. This report shall be used by FmHA or its successor agency under Public Law 103-354 to monitor cash advances made to the grantee. Advances or reimbursements